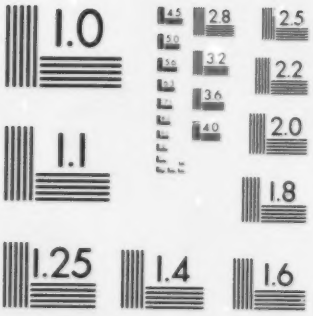

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ABSTRACT

A study was conducted to consider alternative approaches and make specific recommendations for funding Programs on Pupils with Special Educational Needs (PSEN) in New York State. First, the study reviewed various methods for estimating district need including tests and socioeconomic indicators. Second, the effect of the Board of Regents 1979 mandate for remedial education for all pupils falling below statewide reference points on selected tests was considered. And third, the need for an accurate determination of cost for PSEN programs was examined. Approaches to funding Special Pupil Needs programs studied included: (1) uniform grants; (2) excess cost formulas based on program budgets; and (3) weighting formulas. Also considered were three additional adjustments to these basic forms of allocation: a concentration adjustment, rewarding districts for successful programs, and secondary school pupil weighting. Specific attention was paid to aid for children with limited English proficiency. (APM)

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POLICY REPORT OF THE STUDY ON SPECIAL PUPIL NEEDS

prepared by the

New York State Education Department

for the

New York State Task Force on Equity and Excellence in Education

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POLICY REPORT
STUDY ON SPECIAL PUPIL NEEDS

INTRODUCTION

Project Overview

In September 1978, Governor Hugh Carey and Chancellor Theodore Black, on behalf of the Board of Regents, responded to the decision of the Levittown v. Nyquist[1] court case by creating the special Task Force on Equity and Excellence in Education. Since May 1979, the New York State Education Department has conducted a study of Special Pupil Needs Programs in New York State for the Task Force.

Special Pupil Needs Programs are remedial programs required for pupils who need special assistance in the basic skills of reading, writing, and mathematics.[2] This also includes children from bilingual backgrounds who, by reason of limited English proficiency, have sufficient difficulty speaking, reading, writing, or understanding the English language as to deny them the opportunity to learn successfully in classrooms where the language of instruction is English.[3]

Purpose

The purpose of the Study was to consider alternative approaches and make specific recommendations for funding Special Pupil Needs Programs in New York State.

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[1] Board of Education, Levittown Union Free District vs. Nyquist 94 Misc. 2d 466; 407 NYS 2d 606.

[2] Robert R. Spillane, Deputy Commissioner for Elementary, Secondary, and Continuing Education, New York State Education Department memorandum to Superintendents of Public and Nonpublic Schools et al, Albany, N.Y., April 1979.

[3] Definition taken from PL 95-561, Sec. 703(a) 1, November 1, 1978.

BACKGROUND

National Overview

Programs for Pupils with Special Educational Needs have received financial assistance from the federal and state governments. The federal government has supported Special Pupil Needs programs primarily through Titles I and VII of the Elementary and Secondary Education Act. Title I helps educationally disadvantaged pupils, while Title VII helps fund programs providing instruction with a bilingual methodology. The initial eligibility of districts for Title I programs is determined by socioeconomic indicators, such as the number of children receiving Aid for Dependent Children and estimates of the number of pupils from low income families. Title VII funding is awarded on a competitive basis.

States provide funds for special needs programs in several ways including weightings, flat grants, formula allocations, competitive grants and the concentration of educationally disadvantaged children. Some states, which have their own compensatory education programs, define eligible pupils with socioeconomic measures. New York State defines its eligible population with test results.

Compensatory Education In New York State

New York State first provided direct financial assistance to Special Need Programs in 1968 with the creation of the Urban Aid program. Urban Aid was given to relatively few districts (approximately thirty) located in urban areas.

In the early 1970's, Pupil Evaluation Program (PEP) test scores declined and policy makers became increasingly concerned about the decline of PEP test scores. The concern over PEP test results coincided with a growing demand for student achievement in certain skills. For example, in 1974 the Board of Regents affirmed that student achievement of basic skills in communications and reasoning was an educational goal of the State.[1] In 1979, the Regents approved Regulations of the Commissioner of Education mandating students demonstrate competence in reading, writing, and mathematics before graduating from high school.[2]

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[1] Goals for Elementary, Secondary, and Continuing Education in New York State, Albany: The University of the State of New York, 1974.

[2] See Regulations of the Commissioner of Education, Sec. 103.2.

New York State presently provides financial assistance for special pupil needs programs with Chapter 720 grants and Pupils with Special Educational Needs (PSEN) aid. Chapter 720 grants[1] are awarded to districts for bilingual education programs on a competitive basis by the State Education Department. Approximately two million dollars were awarded in the 1979-80 school year for Chapter 720 programs.

The PSEN aid program began in 1974. The procedure used to distribute PSEN aid consists of first estimating the number of PSEN pupils in a district by multiplying the percentage of the district's students scoring in the bottom three levels of the Pupil Evaluation Program (PEP) tests by the base year pupil count (combined adjusted average daily attendance). The district's estimated pupils are weighted at 0.25 and included in the general aid formula. The aid generated by PSEN pupils must be spent on programs which are approved by the State Education Department and comply with State regulations. In 1979-80, 147 million dollars was distributed in PSEN aid.

The test results used to distribute aid have been revised several times. The most recent revision, in 1978, provided that the estimation of district need would be based on the district's 1974 and 1975 average of the PEP test results for third and sixth graders in reading and mathematics.

PROCEDURES OF THE STUDY

Criteria

The Study established general principles and specific standards for evaluating the recommendations proposed by the Study's staff. These principles and standards are presented below:

GENERAL PRINCIPLES	SPECIFIC STANDARDS
· Equality of Educational Opportunity	· Data Objectivity
· Program Neutrality	· Data Availability
· Fiscal Equity	· Simplicity
· Fiscal Variability	· Flexibility
· Stability	· Prudence
· Feasibility	· Control

[1]Chapter 720 of the Laws of 1973.

Issues

The Study's staff identified three issues after analyzing the Study's purpose and discussions with consultants and State Education Department personnel. The issues identified were: (1) the estimation of district need; (2) the effect of new Regulations of the Commissioner; and (3) the cost of Special Pupil Need programs. Originally the three issues were viewed as separate and distinct. However, as the Study progressed the staff realized the estimation of district need and the effect of the new Regulations were closely associated.

The Estimation of District Need. Different types and variations of estimators were studied to ascertain the most accurate estimation of pupil need. Although the number of pupils eligible for special services is difficult to ascertain, the most accurate estimate should be used to distribute State funds. Presently, discrepancies exist between pupils actually served and the number estimated by PEP test scores of 1974 and 1975. Since other State tests are now being used to determine the eligibility of individual pupils for remediation, perhaps these other tests should be used in estimating district need. The Education Department is implementing the replacement of PEP tests with new diagnostic tests for elementary school pupils. A new estimator of district need, therefore, will be needed in the future.

The Effect of the New Regulations of the Commissioner. Prior to 1979-80 the State did not require a district to serve all special need pupils. However, in 1979, the Board of Regents mandated remedial instruction for pupils falling below Statewide Reference Points on PEP, a Competency Test, or an equivalent standardized test[1]. The Study assessed the effect of the new Regulations on districts.

The Cost of Special Pupil Needs Programs. The actual cost of Special Pupil Needs programs in New York State has never been studied. Only if valid estimate of this cost is available can the extra cost of such programs be appropriately reflected in the aid formula. At present, the State requires districts to account only for the expenditure of State aid and not for the total expenditures for Special Pupil Needs programs. Thus, a district's total costs for a Special Pupil Need program are often understated on State forms.

Data
Collection

Data were collected from two major sources: (1) the State Education Department, and (2) field visits to selected districts.

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[1]Regulations of the Commissioner of Education, Sections 100.1 and 103.2

The Study's staff collected and analyzed information contained on computer files, forms, and reports of the Education Department. These data were used primarily to address the issues of estimation of need and the effect of the new Regulations of the Commissioner.

Twelve[1] districts were visited to obtain a deeper understanding of the funding and operation of PSEN and bilingual programs at the local level. The field visits were also used to gather data unavailable at the State level. The staff developed a questionnaire and sent it to the selected districts prior to the scheduled visits. Districts estimated that they needed to spend 25 to 100 hours to accurately complete the questionnaire. The data collected from the districts were used to analyze the actual cost of providing Special Pupil Need programs. The results of these analyses were compared to a theoretical model developed by the Study's staff, estimating the cost of teachers in Special Need programs.

Data
Limitations

Much of the data available to the Study's staff was limited in quality, availability, and accessability. Some data were difficult for districts to extract from their files, had not been previously collected in a consistent fashion, and required hand calculations to analyze. Therefore, caution is required in the interpretations and generalizations made from the data.

FINDINGS

Estimation of
District Need

The procedure used by the State to estimate district need should accurately estimate the number of special need pupils and be simple to calculate. If possible, the estimator should prevent dramatic shifts of aid from one year to the next.

The estimator of district need for Special Pupil Needs aid has acquired even more importance as a result of the new Regulations of the Commissioner requiring remediation for certain students.

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[1]Originally fourteen districts were selected but only twelve were visited. Cost data were provided by ten districts. While there were extensive interviews conducted in two New York City Community School Districts at the time of survey, program changes relating to an ongoing State audit and a citywide review of PSEN programs prompted the Central Headquarters Office of Funded Programs to advise districts against providing cost information.

Preliminary data from new State tests such as diagnostic tests for elementary students, the Preliminary Regents Competency (PRCT), and Regents Competency Tests (RCT) for secondary students indicate that more students require remediation than have previously been identified because the new tests impose higher standards.

Data on the Degrees of Reading Power (DRP) tests administered in 1979 reveal an additional 13 percent of sixth grade students fell below the Statewide Reference Point (SRP) than on the 1978 PEP tests and will require some remediation in reading. Table 1 compares the percentage of students below the Statewide Reference Point on the two tests. PSEN services need not be given to all of these students. Students with the smallest deficiencies may be served within the regular program. The students may only require more attention by the regular teacher to insure that their deficiencies are corrected.

TABLE 1

COMPARISON OF PERCENTAGES BELOW SRP
IN GRADE 6 READING: PEP[a] 1978 v. DRP[b] 1979

Type of School (1)	Percent Below SRP Fall 1978 PEP (2)	Fall 1979 DRP (3)	Percent Difference (4)
Large City	34	50	+16
Small City	25	37	+12
Village/Suburban	20	34	+14
Rural	17	26	+ 9
Total Public	21	34	+13

[a]Pupil Evaluation Program
[b]Degrees of Reading Power

Source: Bureau of Elementary and Secondary Testing Programs, New York State Education Department, Albany, New York

Remediation in writing was not required before the 1979-80 school year. As a result of the Preliminary Competency Test in writing administered in the spring of 1979, at least 136,825 pupils must now receive remediation in writing. The pupils requiring remediation in writing represent 19.6 percent of the enrollment of grades 8, 9, and 10[1]. These data are preliminary, and at least one more year of testing is required before stable figures will be available and trends become discernible.

[1]These data were provided by the Bureau of Elementary and Secondary Testing Programs, New York State Education Department. The data is based on the reports of 87 percent of the schools administering the Preliminary Competency Tests.

Choices In
The Estimator

In estimating district need for aid purposes, the State can use either test results or socioeconomic indicators similar to those employed by the federal government. New York has chosen to use test results to distribute PSEN aid. The procedure to estimate district need can be performed relatively easily with either measure. Therefore, in choosing one measure over the other the crucial factor to consider is the effect of the new Regulations of the Commissioner mandating remediation for certain students.

Tests. Table 2 indicates that, since the 1976-77 school year, special need pupil estimates based on PEP results have been lower than the number of students actually served in Special Need programs. Districts, prior to 1979-80, could use a local definition of eligibility which could reduce or enlarge the number of students eligible for PSEN programs, when compared to the State's definition. Thus, while it cannot be said that PEP underestimates eligible pupils by the State's definition, it is underestimating eligible pupils according to the definitions used by the districts. In the 1980-81 school year, districts will, for the first time, provide an eligible pupil count based on a uniform State definition.

TABLE 2

ESTIMATES OF ELIGIBLE PUPILS BY THE PEP TESTS
AND UNDUPLICATED PUPILS SERVED IN TITLE I AND PSEN PROGRAMS
IN PUBLIC SCHOOLS FOR THE SCHOOL YEARS 1974-75 TO 1978-79

School Year (1)	Estimated By PEP (2)	Total Pupils Served (3)	Difference (Col. 2 - Col. 3) (4)
1975-76	902,653	823,437	79,216
1976-77	881,495	887,231	- 5,736
1977-78	873,193	913,598	- 40,405
1978-79	711,635	814,724	-103,089

Sources: Col. (2) PEP % multiplied by Combined Adjusted ADA for the previous year.
Col. (3) Information Center on Education, New York State Education Department, Albany.
Col. (4) Calculated by Study staff.

The Study found in a sample of 57 districts[1] that the duplicated pupils served in all compensatory education programs in 1979-80 was 2.04 times the number of unduplicated pupils estimated by PEP.[2]

The Study considered several alternative approaches in the use of PEP Test results: using a different two-year average, a three-year average, and a four-year average. PEP scores generally improved after 1975. The estimate of pupils in need would decrease if PEP tests given after 1975 were included in the estimator. If it were not for the indications that more students were requiring remediation in 1979-80, the use of a three- or four-year moving PEP average[3] would be appropriate. A moving average would provide an adjustment for changing district needs without severe fluctuations in aid based on year-to-year changes in test results. Until more complete data on the new tests are available, the most accurate and stable estimator is the PEP average for 1974 and 1975.

Socioeconomic Indicators. The Study's staff believed the use of poverty data similar to that used by Title I in estimating eligibility might provide a more accurate estimate than test scores. This is not the case. Table 3 shows that if a Title I poverty percent is substituted for the PEP test results, the estimate of PSEN pupils is lower not only for the State, but also for many urban districts (including a slight decrease for New York City). With one exception, all of the PEP averages estimated more students in need than the Title I data.

Socioeconomic indicators do not provide a sufficiently accurate estimate of special pupil need. The data severely underestimate the number of students who require remediation.

Estimation of Limited
English Proficient Children

An accurate estimate of the number of Limited English Proficient pupils (LEP) does not exist. Part of the explanation for the varying estimates provided in Table 4 are the lack of a legislative mandate to provide LEP pupils with a bilingual or

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[1]The four New York City Community School Districts were not included in this analysis since unduplicated PEP estimates do not exist for these districts.

[2]Duplicated pupils represent double counting. If a pupil is in two programs he would be counted twice in the separate program reports. Unduplicated pupils are individual counts and do not represent double counting. A pupil in two or more programs would only be counted once.

[3]A moving average changes automatically each year. For example, if a three-year average were adopted, in the first year of implementation the average might be the test results of 1974, 1975 and 1976. In the second year the averages would be based on the test results of 1975, 1976, and 1977.

TABLE 3

COMPARISON OF ESTIMATED ELIGIBLE PUPILS BY UTILIZING SES PERCENT AND PEP PERCENT FOR 1979-80

District (1)	Present PEP (2)	SES Estimate ADA (3)
New York City	352,038	351,740
Buffalo	15,354	19,605
Rochester	13,380	11,124
Syracuse	5,694	8,527
Yonkers	6,674	5,354
Albany	2,675	2,498
Ithaca	1,196	1,164
Mt. Vernon	3,099	2,949
New Rochelle	2,167	850
White Plains	1,551	661
Niagara Falls	3,867	2,823
STATE TOTALS[a]	678,038	611,324

[a]Based on 616 districts

NOTE: Columns 2 and 3 were calculated by Study staff.
Column 2 -- 1974-75 PEP % x 1978-79 Combined Adjusted ADA
Column 3 -- 1979-80 Title I Poverty % x 1978-79 Combined Adj. ADA

English as a Second Language (ESL) program[1] and the different definitions and procedures used in the surveys. Table 4 shows that estimates of LEP pupils in New York State range from 108,889 to 169,127 with most LEP pupils concentrated in New York City.

Effect of the New Regulations

The effect of the new Regulations was studied by an examination of a sample with 61 school districts. The Study found that the new Regulations of the Commissioner mandating certain students receive remedial services were met to a large degree outside of Title I and PSEN programs, since 36.6 percent of the eligible students were served by non-Title I or PSEN sources.

City school districts in particular must rely on other programs since 42.6 percent of the eligible students were not in either Title I or PSEN programs. Small city school districts must serve 49.6 percent of their eligible pupils outside Title I and PSEN programs while large city districts and upstate

[1]For the past three years the Board of Regents have recommended passage of such a law.

TABLE 4

ESTIMATES OF LIMITED ENGLISH PROFICIENT PUPILS IN THE BIG 5 CITIES, THE REST OF THE STATE, AND NEW YORK STATE BY SELECTED SURVEYS

	SURVEYS			
District (1)	1974 NYS Educ. Dept. (2)	1976 OCR (3)	1977 OCR (4)	1978 NYS Educ. Dept. (5)
New York City	144,453	148,871	112,837	82,837
Total State	165,366	169,137	145,357	108,889

Source: Column (2) NYS Educ. Dept., Bur. of Statistical Services. Column (3) U.S. Dept. of Health, Educ. and Welfare, Office of Civil Rights, Directory of Elementary and Secondary School Districts, and Schools in Selected School Districts, 1976-77. Column (4) U.S. Dept. of HEW, Office of Civil Rights, Directory of Elementary and Secondary School Districts and Schools in Selected School Districts, 1978-79. Column (5) NYS Educ. Dept. Telephone Survey, Bur. of Educational Finance Research.

suburban districts were providing special programs to 40.3 and 29.6 percent respectively of their eligible pupils in non-Title I and PSEN programs.

Downstate suburban and rural districts are best able to meet the new Regulations of the Commissioner within Title I and PSEN programs. Only 3.5 percent of the eligible pupils in downstate suburban districts were served from non-Title I or PSEN sources. In rural districts 9.3 percent of the eligible pupils were served in non-Title I or PSEN programs.

Cost
Analyses

All Programs. The Study found that the selected districts generally have higher expenditures for Special Need programs than are usually reported on State forms. This finding confirmed previously held but unsupported beliefs of the State Education Department. The previously unreported Special Need program expenditures discovered from the visits of the Study's staff were $1,610,000, a 17 percent increase.

The extra cost for all Special Need programs in the selected districts ranged from 18 to 133 percent. The average per pupil cost for the total special pupil needs program was 37 percent greater than that for the regular program. The extra cost of the selected districts is greater than the weighting provided by the present formula. These data are presented in Table 5.

TABLE 5

ADDITIONAL COST WEIGHTINGS FOR SELECTED
DISTRICT SAMPLE OF SPECIAL PUPIL NEEDS STUDY
1979-80

District (1)		SPECIAL PROGRAM All Programs[a] (2)	All Other Programs Cost/Pupil (3)	Additional Cost Weighting (Col. (2)÷Col. (3)) (4)
A	A	$4,719	$3,557	1.33
B	B	1,107	2,305	0.48
C	C	1,098	4,115	0.27
D	D	1,192	2,586	0.46
E	E	582	2,250	0.26
F	F	508	2,875	0.18
G	G	467	1,955	0.24
H	H	928	2,401	0.39
I	I	870	2,768	0.31
J	J	1,648	3,115	0.53
All District Sample		$1,048	$2,827	0.37

[a]Includes Title I programs

Source: Special Pupil Needs Questionnaire. Calculations completed by Study staff.

Bilingual and English as a Second Language (ESL) Cost. The Study analyzed cost data for bilingual and ESL programs in five districts. The average cost for bilingual/ESL programs was 33 percent greater than that for the regular program, which is greater than the PSEN weighting in the present formula. The results of this analysis are shown in Table 6. The extra costs reflect single services. If a LEP child receives multiple services, as the Study found generally occurs, the extra cost of a LEP child would be greater than indicated by the Table.

A study conducted in Texas, which sought to determine the extra cost only of essential elements rather than the total cost of bilingual programs, found that these programs cost between 30 to 41 percent more than the regular program depending on the year of implementation.[1] This finding indicates that the extra cost for LEP pupils is greater than the present weighting for PSEN pupils.

[1]Bilingual Education Cost Analysis, San Antonio, Texas: Intercultural Research Association, 1980.

TABLE 6

BILINGUAL AND ENGLISH AS A SECOND LANGUAGE (E.S.L.) COST WEIGHTINGS FOR A SELECTED DISTRICT SAMPLE OF THE SPECIAL PUPIL NEEDS STUDY, 1979-80

Adj. Regular Program Cost Per Pupil (1)	Total Bilingual/ E.S.L. Cost Per Pupil (2)	Bilingual Cost Per Pupil (3)	E.S.L. Cost Per Pupil (4)	Total Bilingual/ E.S.L. Program (5)	Bilingual Program (6)	E.S.L. Program (7)
$2,792	$927	$1,016	$863	.33	.36	.31

Theoretical Costs. The Study developed a theoretical "extra cost of teachers" approach which can be applied to individual districts and to the State guidelines for Title I and PSEN programs. It was found that the extra cost per teacher for one special need program ranged from 18 to 30 percent greater than teacher costs for the regular program.

TABLE 7

THEORETICAL EXTRA COST OF MEETING STATE GUIDELINES FOR SPECIAL PUPIL NEEDS PROGRAMS

Reading	Mathematics	Writing	Bilingual-ESL
.18	.18	.24	.30

Source: Calculated by Special Pupil Needs Program Staff

If a pupil required two services, which often occurs, the theoretical average extra cost would range from 36 to 42 percent for PSEN programs. A LEP pupil receiving two services would have a theoretical extra cost ranging from 48 to 60 percent, depending if the second service provided was a bilingual/ESL service or a remedial program in English. The theoretical costs of Special Need Programs clearly indicates that the weighting (0.25) provided by the present formula is too low.

ALTERNATIVE APPROACHES TO FUNDING SPECIAL PUPIL NEEDS PROGRAMS

No particular formula will automatically guarantee better education for children with special educational needs. The formula chosen, however, should support and encourage the provision of appropriate programs for pupils with special educational needs.

The Study considered three basic formula approaches: (1) uniform grants, (2) excess cost formulas based on program budgets, and (3) weighting formulas. The staff considered three additional adjustments to these basic forms of allocation: (1) a concentration adjustment, (2) rewarding districts for successful programs, and (3) the secondary school pupil weighting.

Basic Formula Approaches

Uniform Grants. Uniform grants would provide all districts with a uniform amount of aid per student. This approach was rejected as the primary method for distributing PSEN aid because of its disequalizing effects. Rich districts would receive as much aid per pupil as poor districts. If the grant was higher than the present average aid per pupil, the increased cost of the program would mainly benefit rich districts. A uniform grant set at the present average aid per pupil would reduce aid to poor districts while increasing aid to rich districts. This approach would reduce State funds available for equalization.

Excess Cost Formulas Based on Program Budgets. Under such formulas, actual costs are determined as closely as possible through the use of program budgets and identification of pupils actually served. Aid would be provided by the State paying a share of the costs exceeding those necessary for the education of other children.

Program budgeting involves great difficulties at the local level such as increased paperwork and a substantial need for training before implementation. The Study's questionnaire required 25 to 100 hours to complete depending on the size of the district. Districts often originally completed the questionnaire incorrectly. A program budgeting document would be even more difficult to prepare than the questionnaire. Program budgeting would require an increase in the auditing conducted by the State.

Weightings. Weighting is the easiest and most theoretically sound approach. A weighting should reflect the average extra cost of a program. New York presently weights PSEN students at .25.

If a weighting approach were to be followed, two questions must be asked: (1) Should the weightings be applied to the general operating aid formula or a separate formula? and (2) If included in the general formula, should the weightings be included in the wealth measure?

Regulations of the Commissioner now mandate that all eligible pupils be served, even if Title I and PSEN aid is insufficient. Thus, local districts are now required to make a local effort even if State funds are insufficient to cover program costs. Local effort is best reflected in the general operating aid formula. Special Pupil Need aid should be distributed in connection with the general operating aid formula.

If Special Pupil Need weightings are included in the wealth measure, districts with large concentrations of special need pupils will be considered poorer by the formula. Such districts will receive not only an increased Special Pupil Need aid but will also receive more general aid as well, reflecting the added cost burden of special need pupils.

Possible
Additional
Adjustments

Concentration. Some states base aid to districts on the concentration of poverty pupils. For example, Illinois and Minnesota modify pupil counts, while Pennsylvania distributes super-poverty grants to districts with poverty concentrations of at least 15 percent. The grant varies with the degree of concentration. The allocation of all or some Special Pupil Needs aid on the concentration of such students is an intriguing idea. It is not generally recognized, but New York presently provides concentration aid for special need pupils. The aid is given indirectly by applying the weightings to the wealth measure. This allows a district with a high concentration of such students to be considered poorer by the formula. This allows the district to receive not only more PSEN aid but also more general aid.

Reward. Providing aid to reward districts for educational improvement is not strictly related to compensatory education. If awarded, such aid should be related to general operating aid.

This approach was suggested by Governor Carey in his 1980-81 Executive Budget Proposal.[1]

Secondary School Weighting. In 1974, when the Legislature instituted PSEN aid, PSEN pupils were not given the secondary school weighting, which they had formerly received. In 1978, PSEN secondary school pupils received a weighting of 0.15, which was still less than the normal secondary weighting of 0.25. The principle of equal treatment of pupils implies the need to treat all secondary school pupils equally as the Levittown decision requires. Either all should receive the full secondary school weighting or the secondary school weighting should be eliminated.

The elimination of a secondary school weighting may free state aid funds for other improvements. The Fleischman Commission recommended the elimination of the secondary school weighting in 1972[2]. Although secondary school costs are higher than elementary school costs, this is a result of local policy decisions rather than state mandates. Some argue that there is a greater likelihood of positive results with a higher concentration of resources in the primary grades. Florida, for example, provides a higher weighting for pupils in grades 1-3 than for secondary school pupils.

In 1974, the Joint State Aid Task Force, composed of representatives of the Governor, the Legislature and the Education Department recommended that the secondary school weighting be eliminated in combination with other increases in aid[3]. In 1975, the Legislature at first eliminated but then restored the secondary school weighting.

CONCLUSIONS

In the drawing of the conclusions and the formulation of the recommendations presented below, the staff considered the findings in light of the Study's criteria. The staff sought to reach a balanced judgment on the sometimes conflicting demands of the criteria.

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[1] For further information see Description of Educational Improvement Index: A Component of 1980-81 Executive Budget Proposal on Operating Aid, Albany, New York State Division of the Budget, January 1980.

[2] Report of the New York State Commission on the Quality, Cost, and Financing of Elementary and Secondary Education, Albany, New York: New York State, 1972.

[3] Report to 1975 New York State Legislature on 1974-75 Cooperative Studies on State Aid Elementary and Secondary Schools, Albany, 1974.

Estimation
Of Need

In choosing an estimator of need, the State should seek an estimator which balances three objectives. It must provide an accurate measure of district need, be based on readily available objective data which is easily calculated, and, if possible, prevent excessive shifts of aid from one year to the next.

District need can be estimated relatively easily with either test results or socioeconomic data. In choosing one over the other the crucial factor is the effect of the Regulations of the Commissioner which mandate the remediation of certain students.

The Study found that the use of more recent PEP averages and socioeconomic data resulted in lower estimates of pupils in need than the 1974 and 1975 PEP average. Since preliminary data on the new State tests indicate that more pupils require remediation than was previously estimated, the use of the more recent PEP scores and socioeconomic data is inappropriate. Use of socioeconomic indicators as the estimator is particularly inappropriate, since required supplementary services in New York State are based on test results.

The inclusion of the new State tests in the estimator would provide a more accurate reflection of district need in accordance with present regulations. This would be particularly true after data are collected for several years. However, the inclusion of all State tests in the estimator would result in a very complex calculation. Efforts should be made to base the estimator of need on the simplest possible calculation. For example, the State estimator of district need could be based solely on the result of the sixth grade DRP test.

Ultimately, the estimator of need should be based upon a three- or four-year moving average, which would reflect district need and prevent excessive yearly variation in the amount of aid awarded distructs. For the present, the estimator of district need should continue to be the 1974 and 1975 PEP average.

A totally reliable estimate of LEP children does not now exist. However, the need for an accurate estimate of eligible pupils is not as great in this area, since aid could be based on pupils actually served in the previous year.

Cost

Several of the selected districts originally had difficulty providing local costs. Their problems are apparently related to their interpretations of Title I regulations and State accounting

procedures. The districts were at first reluctant to estimate expenditures on non-pull-out programs.

To promote the most appropriate education of each child, federal regulations regarding compensatory education should be simplified and should allow districts greater flexibility in serving children.

State accounting instructions regarding the costs of Special Pupil Need programs need to be revised to provide more complete data concerning local effort.

The extra cost of 37 percent for all programs in the selected districts is greater than the weighting provided in the present formula. Bilingual/ESL costs also exceeded the present weighting. Consequently, the weighting provided by the present formula is too low. Separate weightings of 0.35 for PSEN and 0.40 for bilingual education are more appropriate.

Alternate Approaches to Funding
Special Pupil Needs Programs

Formula. The State should continue to use an equalized formula. Such an approach promotes fiscal equity and reflects the need for each local district to help provide services to special need pupils according to the district's fiscal ability. The formula should provide a separate weighting for PSEN and Bilingual/ESL pupils. The weighted pupils should be included in the wealth measures so as to reflect the fiscal ability of districts to provide Special Pupil Needs programs.

Concentration Aid. New York State already provides indirect assistance for the concentration of special need pupils by weighting such pupils when determining district wealth. This should continue.

Reward. Providing State aid for educational excellence deserves further study. Reward aid is not directly related to compensatory education. If awarded, reward aid should be part of the general operating aid formula as Governor Carey suggests in his Executive Budget Proposal.

Secondary School Weighting. Secondary school programs generally do cost more than elementary school programs. State aid awarded because of the secondary school weighting need not be spent on secondary school programs. With other weightings the extra aid generated by the weighting must be spent on the pupils or purposes which generate the aid. The decision to continue or eliminate the secondary school weighting appears to be primarily based on a value judgment about whether the State's fiscal resources should be targeted more toward elementary or secondary school programs.

If the secondary school weighting is eliminated, it should only be done in the context of providing substantially greater amounts of State aid. The distinction in weighting between PSEN and other secondary students appears inappropriate and inequitable. PSEN students should receive the same weighting as other secondary students.

RECOMMENDATIONS

Major Policy Recommendations

Aid for Pupils With Special Educational Needs (PSEN)

- Raise the PSEN weighting from .25 to .35.
- Provide PSEN secondary school pupils with the full secondary weighting of 0.25 rather than the present weighting of 0.15.
- As soon as data are available, develop a simple method of using the results of the new State tests in estimating district need. Meanwhile, continue to use the average of the 1974 and 1975 Pupil Evaluation Program test results as the estimator of district need.

Aid For Children With Limited English Proficiency

- Provide Bilingual Education aid with a weighting of 0.40. This weighting and aid would be completely separate from PSEN. After a student no longer needs services provided from Bilingual Aid, he could still qualify for PSEN services.
- The pupil count for Bilingual Education aid would be the number of pupils served in approved programs for the previous year.

Accounting

- Improve accounting for the costs of PSEN and Bilingual aid services by issuing revised instructions for using the existing PSEN account and by establishing a new Bilingual Education Account with similar instructions.

General
Recommendations

- The State should continue use of an equalized formula to distribute State aid for Special Pupil Needs programs.
- The State should continue using weighted pupils in the calculation of district wealth in the equalized formula.
- The State should eventually adopt a three- or four-year moving average based on test scores as the estimator of district need.
- The State should continue its efforts to have federal Title I rules and regulations simplified so as to permit greater flexibility in program approaches.
- Further study should be given to rewarding districts for improved results on tests.